PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE SHAREHOLDERS OF

VULCAN ENGINEERS LIMITED

Registered Office: 415, Unique Industrial Estate, Off Veer Savarkar Marg, Prabhadevi, Mumbai - 400025. Tel: +91-22-24381678, 24311679 Fax: +91-22-24225814

CASH OFFER FOR ACQUISITION OF EQUITY SHARES FROM SHAREHOLDERS OF VULCAN ENGINEERS LIMITED

This Public Announcement (this "PA") is being issued by Almondz Global Securities Limited ("Manager to the Offer" or "Almondz") for and on behalf of Terruzzi Fercalx SPA, a company incorporated under the laws of Italy with its registered office at Piazzale Principessa Clotilde, 8, zip code 20121, Milano-Italy (hereinafter referred to as "Acquirer" or the "TF"), pursuant to and in compliance with, among others, Regulations 10 and 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto (hereinafter referred to as the "SEBI (SAST) Regulations"). No person / individual / entity are acting in concert with the Acquirer for the purposes of this Offer.

1. BACKGROUND OF THE OFFER

1.1. This Offer ("Offer" or "Open Offer") is being made by the Terruzzi Fercalx SPA, a company incorporated under the laws of Italy with its registered office at Piazzale Principessa Clotilde, 8, zip code 20121, Milano-Italy (hereinafter referred to as the "Acquirer" or "TF") to the equity shareholders of Vulcan Engineers Limited, a public company incorporated in India under the Companies Act, 1956 and having its registered office at 415, Unique Industrial Estate, Off Veer Savarkar Marg, Prabhadevi, Mumbai 400025 (hereinafter referred to as the "Target Company" or the "Vulcan").

1.2. The Acquirer has entered into a Share Purchase cum Share Subscription cum Shareholders Agreement dated October 12, 2009 ("SPA" or "Agreement") with the existing Promoters and Promoter Group of the Target Company to acquire 21,18,160 fully paid-up equity shares of face value of Rs. 10/- each at a price of Rs. 15/- (Rupees Fifteen only) per equity share payable in cash ("Negotiated Price") representing 25.86% of the post-preferential paid-up equity share capital of the Target Company. The details of preferential issue of fully paid equity shares of 33,50,000 equity shares of Target Company are mentioned in Clause 1.3 below. The details of acquisition from promoters under the Agreement are as under:

	Sellers			Acquirer		
S. No.	Name of the Promoter / Promoter Group	Number of Shares	Percentage of total Paid-up Share capital (post-preferential)	Name of the Acquirer	Number of Shares acquired through SPA	% w.r.t. the total paid-up capital (post-preferential)
1.	Sheila Malaney, Trustee - Malaney Family Trust	6,40,280	7.82	Terruzzi Fercalx SPA	21,18,160	25.86
2.	Sheila Malaney, Trustee - Sanjeev Malaney Trust	2,13,200	2.60			
3.	Sheila Malaney, Trustee - Vikram Malaney Trust	2,13,600	2.61			
4.	Sheila Malaney, Trustee - Sheila Malaney Trust	2,58,960	3.16			
5.	Vikram Malaney, Karta of Mithu Shamdas Malaney HUF	1,48,000	1.81			
6.	Sanjeev Mithu Malaney	11,000	0.13			
7.	Malaney Consultants Private Limited	6,33,120	7.73			
	Grand Total	21,18,160	25.86	Total	21,18,160	25.86

The salient features of the SPA are as under:

- The Acquirer will be termed as "Promoter" after successful completion of the Open Offer and the existing promoters shall cease to be the promoter of the Target Company;.
- The total consideration for the purchase of shares from promoters mentioned hereinabove shall be deposited by the Acquirer into an escrow account and be released to them simultaneously with the credit of purchased shares to the demat account of Acquirer on successful completion of Open Offer.
- Upon successful closure of Open Offer, the Board of Directors will be reconstituted and therein nominees of the Acquirer shall be appointed on the Board of Directors of the Target Company;
- There is no non-compete agreement between the Acquirer and Sellers.

1.3. Simultaneously, on October 12, 2009 Board of Directors of the Target Company have subject to the approval of the shareholders of the Target Company and other regulatory approvals, as applicable, agreed to issue and allot, on preferential basis, 33,50,000 fully paid up equity shares of face value of Rs. 10/- (Rupees Ten only) each of the Target Company for cash, at a price of Rs. 11.50 (Rupees Eleven and fifty paise only) per equity share aggregating to Rs. 3,85,25,000 (Rupees Three Crores Eighty Five Lakhs Twenty Five Thousand only) (hereinafter referred to as the "Preferential Issue") to the acquirer. After the Preferential Issue, the Acquirer shall hold 40.90% of the fully paid-up post preferential equity share capital of the Target Company. For this purpose Board of Directors of the Target Company called for an Extraordinary General Meeting on November 11, 2009 to obtain approval of shareholders in terms of Section 81(1A) of the Companies Act, 1956, to authorize the Board to allot the equity shares as required under Regulations 23(1)(b) of SEBI (SAST) Regulations.

1.4. The Preferential Issue is being made in accordance with Section 81(1A) of the Companies Act, 1956 and the Regulations for Preferential Issue contained in Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the subsequent amendments thereto (the "SEBI (ICDR) Regulations").

1.5. The above SPA and Preferential Issue has necessitated the Open Offer in terms of Regulation 10 and 12 of SEBI (SAST) Regulations.

1.6. The paid up equity share capital of the Target Company prior to the Preferential Issue was Rs. 4,84,00,000/- (Rupees Four Crores Eighty Four Lakhs only) consisting of 48,40,000 fully paid-up equity shares of face value of Rs. 10/- (Rupees Ten only) each. Post Preferential Issue, the paid up equity share capital shall be Rs. 8,19,00,000/- (Rupees Eight Crores Nineteen Lakhs only) consisting of 81,90,000 fully paid-up equity shares of face value of Rs. 10/- each.

1.7. As on the date of PA, the Acquirer does not hold any equity shares in the Target Company. However, pursuant to SPA and the Preferential Issue, the Acquirers shall be holding 54,68,160 Equity Shares constituting 66.77% of the expanded equity share capital of the Target Company. Other than the above, the Acquirers have not acquired any equity shares of Vulcan during the preceding twelve months from the date of this PA.

2. THE OFFER

2.1. Pursuant to the signing of SPA and Preferential Issuance, the Acquirer is making this Offer under Regulation 10 and 12 of SEBI (SAST) Regulations, to the public shareholders of the Target Company to acquire 16,38,000 equity shares of the fully paid up equity shares representing 20.00% of the post-preferential paid-up equity share capital of Target Company ("Offer Size") at a price of Rs. 15.00 (Rupees Fifteen only) per equity share ("Offer Price") payable in cash subject to the terms and conditions mentioned in this PA and the Letter of Offer to be sent to all shareholders of the Target Company as on the Specified Date. Equity shares that would be tendered in the valid form in terms of this Offer will be transferred in favour of the Acquirer upon completion of the Open Offer formalities.

2.2. There are no persons acting in concert with the Acquirer.

2.3. This is not a competitive bid.

2.4. This offer is not subject to any minimum level of acceptance.

2.5. The Acquirer does not hold any equity share in the Target Company as on the date of Public Announcement.

2.6. The consideration shall be paid in cash.

2.7. This Offer is not pursuant to any global acquisition resulting in an indirect acquisition of equity shares of the Target Company.

2.8. This PA is being released, as per Regulation 15(1) in the Financial Express (English National daily with wide circulation); Jansatta (Hindi National daily with wide circulation) and Navshakti (Regional language daily with wide circulation).

3. THE OFFER PRICE

3.1. The equity shares of the Target Company are presently listed only on the Bombay Stock Exchange Limited (BSE). The Target Company had made an application for delisting of its equity shares to The Calcutta Stock Exchange Association Limited (CSE) on February 28, 2005, which is still pending. For listing details, please refer to clause 5.9 below.

3.2. The equity shares of the Target Company are frequently traded on BSE within the meaning of explanation (i) to Regulation 20 (5) of SEBI (SAST) Regulations. The equity shares of the Target Company are infrequently traded on CSE.

3.3. The annualized trading turnover in the shares of the Target Company on BSE based on the trading volume during April 2009 to September 2009 (six calendar months preceding the month in which PA is made) is as given below:

Stock Exchange	Total No. of Shares traded during 6 calendar months prior to the month in which PA is made	Total No. of Listed Shares	Annualized Trading Turnover (as % of Total shares Listed)
BSE	2,30,204	48,40,000	9.51%

(Source: www.bseindia.com)

3.4 The Offer price of Rs. 15 (Rupees Fifteen only) per equity share is justified in terms of the Regulation 20(4) and 20(5) of the SEBI (SAST) Regulations, being the highest of the following:

a)	Negotiated price payable under SPA dated October 12, 2009	Rs. 15.00 per equity share
b)	The price paid by the Acquirer or persons acting in concert with him for acquisition, if any, including by way of allotment in a public or rights or preferential issue during the twenty six week period prior to the date of Public Announcement, whichever is higher	Rs. 11.50 per Equity share for preferential allotment, as approved by Board of Directors in their meeting held on October 12, 2009 which is subject to approval of Shareholders of the Target Company.
c)	the average of the weekly high and low of the closing prices of the shares of the Target Company as quoted on the Stock Exchange, where shares of the Company are most frequently traded during the twenty-six weeks preceding the date of public announcement	Rs. 9.41
d)	the average of the daily high and low of the prices of the shares as quoted on the stock exchange where shares of the company are most frequently traded during the two weeks preceding the date of public announcement	Rs. 11.30
e)	Other parameters	
	- Return on Networth (%) [1]	(21.58)
	- Book Value per share (Rs.) [2]	4.75
	- Earning Per Share (EPS) [3]	(1.03)
	- Price Earning multiple (with reference to Offer price of Rs.15 per share)	Not meaningful as EPS is negative.
	- The Industry Average Price Earning Multiple [4]	20.3*

[1] Return on Net worth calculated as Profit after tax / Net worth

(2) Book value per share calculated as Net worth / Number of outstanding shares as at the end of the year.

(3) Earning Per Share calculated as net profit attributable to equity holders / weighted average number of shares.

* Source: Capital Market October 5-18, 2009 (Sector: Engineering). The Target Company is engaged in Engineering Sector and its business operations can be compared with the companies disclosed in the Capital Market. However, the name of the Target Company is not appearing in the Capital Market. The Industry PE multiple is not strictly comparable as the Industry segment covered by the Capital Market consists of companies, which have varied and different businesses compared to Vulcan Engineers Limited and also vary widely in terms of financial parameters with the Target Company.

Mr. Madan Chaturvedi, Partner, M/s. Chaturvedi Manohar & Associates, Chartered Accountants (Membership No. 403572; Address: B-202, Crystal Plaza, New Link Road, Andheri (West), Mumbai - 400 053. Tel. No.: +91-22-6671 5821; Fax No.: +91-22-6671 5824 have certified on October 14, 2009 that the fair value per equity share of Vulcan is Rs. 10 considering the book value and earning based value per share.

In view of the above, the Offer Price of Rs. 15/- (Rupees Fifteen only) per equity share offered by the Acquirer to the shareholders of Vulcan under the proposed Open Offer is also justified in terms of Regulation 20(5) of SEBI (SAST) Regulations.

3.5 If the Acquirer acquires shares of the Target Company after the date of this PA and up to 7 working days prior to the closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisition shall be payable for all valid applications received under the Offer. Details of such acquisitions will be disclosed by the Acquirer within 24 hours of such acquisition to the BSE and to the Manager to the Offer in terms of Regulation 22(17) of SEBI (SAST) Regulations.

3.6 Almondz Global Securities Limited, the Manager to the Offer does not hold any equity shares in the Target Company as on the date of this Public Announcement. They declare and undertake that they shall not deal in the equity shares of Vulcan during the period commencing from the date of appointment as Manager to the Offer till the expiry of fifteen days from the date of closure of the Offer.

4. INFORMATION ON THE ACQUIRER - Terruzzi Fercalx SPA

4.1 The Acquirer namely, Terruzzi Fercalx SPA was originally incorporated as "TF S.R.L." on January 16, 2007 and registered on January 22, 2007 under the laws of Italy. TF S.R.L. changed its name to "Terruzzi Fercalx S.R.L." on March 27, 2007 and was thereafter transformed into a limited liability company with its capital represented by shares on April 17, 2007 as "Terruzzi Fercalx SPA". The Acquirer has its Head Office at Viale Lombardia, 7 Zona Industriale 2, zip code 24050, Spirano-BG, Italy, Tel: +390354 879811; Fax No.: +390354 879800 and Registered office at Piazzale Principessa Clotilde, 8, zip code 20121, Milano-Italy.

4.2 The Board of Directors of Acquirer comprises of Mr. Astorre Terruzzi, Dr. Daniele Maria Terruzzi, Ms. Paola Francesca Terruzzi, Ms. Maria Antonietta Ardenghi and Mr. Spridione Ragno.

4.3 The Acquirer is in the business of production, including planning, manufacture, assembly, supply, construction and the rendering of technical assistance, of industrial plants and particularly of vertical and rotating ovens for the production of quicklime, of plants for the production and classification of hydrated lime, for the sack filling and transport of lime, for the production of grassello of lime, of milk of lime and lime derivatives, etc. It has commenced operations in April, 2007.

4.4. The equity share capital of the Acquirer is Euros 12,00,000 (Euro Twelve Lakhs only) consisting of 12,00,000 equity shares of Euro 1/- (Euro One only) each (equivalent to Rs. 8,21,76,000 (Rupees Eight Crores Twenty One Lakhs Seventy Six Thousand only) based on the exchange rate as defined in paragraph 4.5 below). The shareholding pattern of the Acquirer is given below:

Name of Shareholders	% w.r.t. to the total equity capital
TF Costruzioni Meccaniche S. R. L.*	98%
Ms. Silvana Brunelli	2%
Total	100%

* a limited liability company incorporated under the laws of Italy. Eng. Astorre Terruzzi, Ms. Silvana Brunelli, Dr. Daniele Maria Terruzzi and Ms. Paola Terruzzi are the main individuals who control Terruzzi Group.

4.5 The brief audited financial details of the Acquirer, are as under:

Particulars	Period January 1, 2009 to June 30, 2009#		January 1, 2008 to December 31, 2008		April 1, 2007* to December 31, 2007	
	In Euro	Rs. in lakhs (except per share data)	In Euro	Rs. in lakhs (except per share data)	In Euro	Rs. in lakhs (except per share data)
Total Income	11480698	7861.98	15043985	10302.12	11758762	8052.40
Total Expenditure	11141299	7629.56	14659135	10038.58	11462284	7849.37
Profit before tax	339399	232.42	384850	263.55	296477	203.03
Profit after tax	146278	101.17	52434	35.91	97098	66.49
Equity Share Capital	1200000	821.76	1200000	821.76	1200000	821.76
Reserves	1291662	884.53	1145383	784.36	127098	87.04
Net worth	2491662	1706.29	2345383	1606.12	1327098	908.80
Assets	21393223	14650.08	20121900	13779.48	16381777	11218.24
Earning per share	0.12	8.34	0.04	2.99	0.08	5.54
Book Value per share	2.08	142.19	1.95	133.84	1.10	75.73
Return on net worth (%)	5.87	5.87	2.24	2.24	7.32	7.32

\# (Source: Annual Report and half-yearly results as certified by the Statutory Auditor)

* the date of commencement of commercial operation

- The figures in the Annual Report are indicated in Euro.
- The financial period of Acquirer is from January to December.
- Exchange rate used is the reference rate as on October 12, 2009 i.e. Rs. 68.48 for each EURO (source: www.rbi.org.in)
- Financial ratios have been computed as follows:

Earning per share computed as PAT/number of shares; Book value per share computed as the Networth / number of shares; Return on networth computed as PAT/Networth.

4.6 The shares of the Acquirer are not listed on any Stock Exchange.

4.7 The Acquirer has not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B of SEBI Act.

4.8 None of the directors of the Target Company are on the board of the Acquirer.

4.9 There is no relationship between the Acquirer and the Target Company, except business relationship.

4.10 The provisions of Chapter II of SEBI (SAST) Regulations have been complied with by the Acquirer, by filing disclosure reports of acquisition, with the Target Company and the Stock Exchange, where the equity shares of the Target Company are listed, in terms of Regulation 7(1) of the SEBI (SAST) Regulations.

5. INFORMATION ABOUT THE TARGET COMPANY

5.1. Vulcan Engineers Limited was originally incorporated as a Private Limited Company on December 20, 1963 under the Companies Act, 1956. The Company became a deemed Public Limited Company in the year 1988 pursuant to the provisions of section 43A(1A) of the Companies Act, 1956. Accordingly, the name of the Target Company was changed to "Vulcan Engineers Limited" and the certificate of incorporation was amended by the Registrar of Companies on October 4, 1988. The Target Company's registered office is at 415 Unique Industrial Estate, Off Veer Savarkar Marg, Prabhadevi, Mumbai 400 025. Ph +91 22 24381678, 24311679 Fax: +91 22 24225814.

5.2. The Target Company is mainly engaged in the business of reheat and heat treatment furnaces and lime plants for the steel industry. The Target Company is also authorized by its memorandum to have the business of manufacturers and dealers in all kinds of electrical, mechanical, metallurgical, chemical, electronic and construction and all other types of machinery particularly to engage in and carry out the business of planning, design, manufacturing constructing and erecting all types of equipments, material handling plants for all types of industry and to act as Consultants and Advisors in the matter aforesaid.

5.3. The Promoters and Promoter Group of the Target Company are (a) Suvir Malaney, Trustee - Suvir Malaney Trust; (b) Sheila Malaney, Trustee - Sheila Malaney Trust; (c) Sheila Malaney, Trustee - Vikram Malaney Trust; (d) Sheila Malaney, Trustee - Sanjeev Malaney Trust; (e) Malaney Consultants Private Limited; (f) Sanjeev Mithu Malaney; (g) Sheila Malaney, Trustee - Malaney Family Trust and (h) Vikaram Malaney, Karta of Mithu Shamdas Malaney HUF.

5.4 As on the date of this PA, the board of directors of the Target Company comprises of Ms. Shiela M. Malaney, Mr. Ajit T. Vaswani, AdmiralL. Ramdas (Retd.), Mr. Vikram M. Malaney, Mr. Prasad Mahadev Kumar and Mr. Juergen Walter Mendheim.

5.5 As on date, the total paid-up equity share capital of the Target Company is Rs. 4,84,00,000/- (Rupees Four Crores Eighty Four Lakhs only) consisting of 48,40,000 fully paid-up equity shares of face value of Rs. 10/- per equity share.

5.6. No director of the Acquirer is on the board of directors of the Target Company.

5.7 The brief audited financial details of the Target Company, are as under:

Particulars	Period April 1, 2009 to June 30, 2009**	2008-09*	2007-08*	2006-07*
	(Rs. In lakhs except per share data)			
Total Income	312.56	906.46	802.12	1201.64
Total Expenditure	243.77	922.33	842.14	1002.51
Profit before tax	68.79	(15.87)	(40.02)	199.13
Profit after tax	38.74	(49.63)	(53.40)	107.41
Paid up share capital	484.00	484.00	484.00	484.00
Reserves	(215.42)	(254.10)	(203.20)	(143.07)
Net worth	268.58	229.90	280.80	340.93
Assets	352.96	314.83	369.08	369.74
Earning per share	0.80^	(1.03)	(1.10)	2.22
Book Value per share	5.55	4.75	5.80	7.04
Return on net worth (%)	14.42^	(21.58)	(19.01)	31.50

*(Source: *Based on audited financials of Target Company, **Based on limited review of Target Company, ^ Based on quarterly results on a non-annualised basis)*

5.8 The Target Company does not have any subsidiary as on the date of this PA.

5.9 The equity shares of the Target Company were earlier listed with The Calcutta Stock Exchange Association Limited ("CSE") and the Ahmedabad Stock Exchange Limited ("ASE") in addition to Bombay Stock Exchange Limited. The Target Company complied with provisions of SEBI (Delisting of Securities) Guidelines, 2003, and equity shares of the Company were delisted from the ASE vide their letter bearing reference no. ASE/2005/83 dated April 6, 2005. The said delisting was effective from March 31, 2005. As regards, the delisting application of CSE on February 28, 2005, the delisting approval from CSE is still pending. The Target Company has in the meantime, stopped complying provisions of relevant clauses of the listing agreement in regard to CSE at their end.

5.10 The Target Company and its existing Promoters/Promoter Group have complied with all the applicable provisions of Chapter II of the SEBI (SAST) Regulations, except for the period upto April 1, 1997 to March 31, 2002, which was regularized through the SEBI Regularization Scheme, 2002. Further, there was delay in compliance of Regulation 3(3), 3(4) and 3(5) of SEBI (SAST) Regulations, for which one of the Promoter had requested for condonation of this delay to SEBI vide their letter dated August 7, 2009.

5.11 There are no partly paid up equity shares of the Target Company. There are no outstanding warrants or options or similar instruments convertible into equity shares at a later stage.

6. REASONS FOR ACQUISITION AND OFFER AND FUTURE PLAN ABOUT TARGET COMPANY

6.1 The Acquirer has agreed to acquire 33,50,000 equity shares of Rs. 10 (Rupees Ten only) each constituting 40.90% of the fully paid up capital through preferential allotment and 21,18,160 equity shares of Rs. 10 each representing 25.86% of the fully paid up post-preferential equity capital of the Target Company vide SPA dated October 12, 2009 with the perspective of acquiring control in the target company. After completion of the proposed Offer, the Acquirer will achieve substantial acquisition of shares and voting rights, accompanied with effective management control over the Target Company

6.2 This Offer is made in compliance of and in accordance with Regulations 10 and 12 of the Takeover Regulations for the purpose of substantial acquisition of Shares and voting rights in the Target Company and change in control / management in the Target Company.

6.3 The reason for the acquisition is to apply their strategy to expand into emerging markets, representing a great growth potential as well as possibility to strengthen their manufacturing business; to provide extended and consistent range of products, technologies and services to the customer; and to empower and develop the specific knowledge of Vulcan.

6.4 Subject to the satisfaction of the provisions of the Companies Act, 1956 and other Regulation(s), the Acquirer intends to seek a reconstitution of the Board of Directors of the Target Company in accordance with the provisions of the SEBI (SAST) Regulations. The Acquirer is yet to decide on the names of the persons to be inducted into the Board.

6.5 As of the date of this PA, the Acquirer has not finalized any specific future plan for the Target Company. The Acquirer would like to grow the business of the Target Company but details of the path to such expansion will be chalked out over time.

6.6 The Acquirer undertakes not to dispose of or otherwise encumber of any assets of Target Company in two years from the date of closure of Offer except in ordinary course of business of the target company. Further the Acquirer undertakes that they shall not dispose of or otherwise encumber any substantial asset of the target company except with the prior approval of the shareholders.

7 STATUTORY APPROVALS / OTHER APPROVALS REQUIRED FOR THE OFFER

7.1 This Offer is subject to receipt by the Acquirer of approval from the Reserve Bank of India (the "RBI") under the Foreign Exchange Management Act, 1999, as amended from time to time, and / or the regulations made thereunder, for the acquisition / transfer of the equity shares tendered pursuant to Offer. The Acquirer will make the requisite application(s) to obtain such necessary approval(s).

7.2 Save and except for the above, as of the date of this PA, to the best of the knowledge of the Acquirer, no other statutory or regulatory approval(s) is/are required for the purpose of the Offer. If any other statutory approvals become applicable at a later date, the Offer would be subject to such other additional statutory approvals. In case the statutory approval(s) is/are not obtained, the Acquirer will not proceed with the Offer in terms of Regulation 27 of the SEBI (SAST) Regulations.

7.3 The Acquirer shall complete all formalities relating to the Offer within a period of 15 days from the closing of the Offer.

7.4 In case of delay, due to non-receipt of statutory approvals, as per Regulation 22(12) of the SEBI (SAST) Regulations, SEBI, may, if satisfied that the non-receipt of the approvals was not due to willful default or negligence, grant an extension for the purpose of completion of the Offer provided the Acquirer agree to pay interest to the shareholders of the Target Company beyond 15 days from closure of the Offer.

7.5 If the Acquirer fails to obtain the requisite approvals in time due to willful default or neglect or inaction on his part, the amount lying in the escrow account shall be liable to be forfeited and dealt with in the manner provided in Regulation 28(12)(e)of the SEBI (SAST) Regulations.

7.6 No consents/approval is required from the Banks and Financial Institutions for the Open Offer.

7.7 The Acquirer reserves the right to withdraw the Offer, in terms of Regulation 27 of SEBI (SAST) Regulations, in the event of non-receipt of requisite statutory approval(s). In the event of withdrawal, a Public Announcement shall be made in the same newspapers in which the original Public Announcement is being made.

8 OPTION IN TERMS OF REGULATION 21(2) of the SEBI (SAST) Regulations

8.1 As per Clause 40A of the Listing Agreement with the Stock Exchanges, the Target Company is required to maintain atleast 25% public shareholding on a continuous basis. In the event that acquisition made in pursuance to the Offer results in the public shareholding of the Target Company falling below such minimum level, the Acquirer undertakes to take necessary steps to facilitate compliance of the Target Company with the relevant provisions of the Listing Agreements, within the time period mentioned therein or in accordance with such other directions as may be provided by the relevant stock exchanges, in accordance with the provisions of Regulation 21(2) of the SEBI (SAST) Regulations.

8.2 Pursuant to the acquisition of shares by the Acquirer and Preferential Issue to the Acquirer, the shareholding of existing promoters of the Target Company, if any, will be classified under the public category.

9 FINANCIAL ARRANGEMENT

9.1 The Acquirer has adequate resources to meet the financial requirements of the Offer and has made firm financial arrangements to implement the Offer and meet the obligations in full.

9.2 The total fund requirement for the acquisition of 16,38,000 equity shares, being 20% of the paid up share capital of Target Company, at Rs. 15/- (Rupees Fifteen only) per equity share, assuming full acceptance, is Rs. 2,45,70,000 (Rupees Two Crores Forty Five Lakhs and Seventy Thousand only).

9.3 In accordance with the requirements of the SEBI (SAST) Regulations , the Acquirer has made a cash deposit of Rs. 61,50,000 (Rupees Sixty One Lakhs Fifty Thousand only), being 25.03% of the consideration payable in the Open Offer, in a bank account named "Vulcan Engineers Limited Open Offer Escrow Account" (the "Escrow Account-Cash") with The Hongkong and Shanghai Banking Corporation Limited, Shiv Building, Plot No. 139-140, B, Western Express Highway, Sahar Road Junction. Vile Parle (East), Mumbai -400057 [the "Escrow Bank"], in terms of an agreement dated October 12, 2009 amongst the Acquirer, Manager to the Offer and the Escrow Bank (the "Escrow Agreement"). Manager to the Offer has been solely authorized by the Acquirer to operate and realize the value of Escrow Account in terms of the SEBI (SAST) Regulations.

9.4 In case of a revision in the Offer price, the Acquirer would raise the amount in the escrow account to ensure compliance with Regulation 28 of the SEBI (SAST) Regulations.

9.5 Dr. Debora Rattazzo, Chartered Accountants, located at Corso di Porta Tiocinese n. zip code 20123, Milano-Italy, vide their certificate dated October 12, 2009 confirmed and certified that sufficient resources are available with the Acquirer for fulfilling the obligations under this Offer in full.

9.6 The Acquirers have confirmed that the Offer is being implemented through its own funds.

9.7 Manager to the Offer, is satisfied that the firm arrangements for financial resources required to implement the Offer i.e. funds for payment through verifiable means are in place to fulfill the obligations of the Acquirer under the Offer and is satisfied that the adequate resources are available to meet the financial requirements of the Offer in accordance with the Regulations.

10 OTHER TERMS OF THE OFFER

10.1 All owners of equity shares of the Target Company demat/physical, registered/unregistered (except the Promoter and Promoter Group) are eligible to participate in the offer, at any time before the date of closure of the Offer. No indemnity is required from such unregistered owners.

10.2 The Letter of Offer (LOO) specifying the detailed terms and conditions of this offer together with Form of Acceptance-cum-Acknowledgement (FOA), Form of Withdrawal (FOW) and Transfer Deed (TD) (for shareholders holding shares in physical form) will be mailed to the equity shareholders of Vulcan (other than the Promoter and Promoter Group) whose names appear on the register of member of Vulcan and the beneficial owners of Vulcan whose names appear on the beneficial records of the respective depositories, at the close of business hours on October 23, 2009 (Hereinafter referred to as the "Specified Date").

10.3 Accidental omission to dispatch Letter of Offer to any member entitled to this Open Offer or non-receipt of the Letter of Offer by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever. The Offer is subject to the terms and conditions set out herein and in the Letter of Offer that would be sent to the shareholders of Target Company as on the Specified Date.

10.4 The Acquirer has appointed Karvy Computershare Private Limited as Registrar to the Offer. Karvy Computershare Private Limited has opened a special depository account, details of which are as under:

DP Name	:	Karvy Stock Broking Limited
DP ID	:	IN302470
Client ID	:	40237236
Account Name	:	KCPL Escrow Account VEL Open Offer
Depository	:	National Securities Depositories Limited
ISIN	:	INE699C01017
BSE Scrip Code	:	522080

10.5 Shareholders holding shares in physical form: Shareholders holding shares in physical form who wish to accept this Offer and tender their shares will be required to send the Form of Acceptance-cum-Acknowledgement, original share certificate(s) and duly signed transfer deed(s) to the Registrar to the Offer, Karvy Computershare Private Limited ("Registrar"), Plot No 17-24, Vithalrao Nagar, Madhapur, Hyderabad - 500 081, Phone: +91-40-2342 0815-23, Fax: +91-40-2343 1551, Website: www.karvy.com, Email: murali@karvy.com, Contact Person: Mr. M. Murali Krishna, either by hand delivery on weekdays or by Registered Post, on or before the close of the Offer, i.e. no later than December 26, 2009 so as to reach the Registrar on or before the close of business hours, in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance -cum-Acknowledgement. They can also tender their shares by hand delivery at any of the collection centres mentioned in point no 10.13.

10.6 Shareholders holding shares in dematerialised form: Beneficial owners who wish to accept this Offer and tender their shares will be required to send their Form of Acceptance-cum-Acknowledgement to the Registrar to the Offer in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance-cum- Acknowledgement, along with a photocopy of the delivery instructions in "Off-market" mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by their respective depository participant (the "DP") in favour of special depository account. Shareholders having their beneficiary account in Central Depository Services (India) Limited will in addition, have to use an inter-depository delivery instruction slip for the purpose of crediting their shares in favour of the special depository account with NSDL. The credit for the delivered shares should be received in the special depository account on or before the closure of the offer. The above mentioned documents needs to be sent to the Registrar to the offer, Karvy Computershare Private Limited ("Registrar") either by hand delivery on weekdays or by Registered Post, on or before the close of the Offer, i.e. no later than December 26, 2009 so as to reach the Registrar on or before the close of business hours, in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance -cum-Acknowledgement. They can also tender their shares by hand delivery at any of the collection centres mentioned in point no 10.13.

10.7 Persons who own equity shares but whose names do not appear on the Register of Members of the Target Company as on the specified date are also eligible to participate in the offer. Such unregistered owners can send their acceptance in writing to Registrar to the Offer on plain paper stating the name, address, number of equity shares held, number of equity shares tendered, distinctive numbers, folio number together with original share certificate(s) together with original broker contract note and duly executed valid share transfer deed so as to reach the Registrar to the Offer on or before the Offer Closing Date i.e. not later than December 26, 2009. No indemnity is required from such unregistered owners.

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10.8 In case any person has lodged shares of Vulcan for transfer and the transfer has not yet been effected, the concerned person may apply in writing on a plain paper, duly signed and stating the name, address, number of equity shares held, number of equity shares tendered, distinctive numbers, folio number and the number of shares in respect of which they are accepting the Offer along with original share certificate(s), duly executed valid share transfer deed (Columns meant for transferee/buyer should be kept blank) and the acknowledgement of the lodgment of shares for transfer. Such person should also instruct Vulcan and its Registrar & Transfer Agents to send the transferred share certificate(s) directly to the collection centers of Registrars to the Offer as mentioned above before the date of closing of the Offer.

Shareholders who have sent their physical shares for Dematerialization and the dematerialization has not yet been effected, the concerned person should send the completed FOA together with the photocopy of the dematerialization request form acknowledged by shareholder's DP. Shareholders should ensure that the process of getting their shares dematerialized is completed well in time so that the credit in the special depository accounts is received on or before the date of closure of the Offer i.e. no later than December 26, 2009, else their application would be rejected.

10.9 In case of non-receipt of the Letter of Offer, the eligible persons may download these documents from the SEBI's website (www.sebi.gov.in) or may obtain a copy of the same from the Registrar's office by writing to the Registrars to the Offer. Alternatively, the shareholders may send their acceptances on plain paper to the Registrar to the Offer stating their name, address, number of equity shares held, number of equity shares tendered, distinctive numbers, folio number together with Original Share Certificate(s), Original broker contract note and duly executed valid Share transfer deed so as to reach the Registrar to the Offer on or before the close of the Offer, i.e. no later than December 26, 2009 or in case of beneficial owners, they may send the application in writing to the Registrar, on plain paper stating the name, address, number of shares held, number of shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of special depository account so as to reach the Registrar, on or before the close of the Offer, i.e. no later than December 26, 2009. Where the transfer deeds are signed by a constituted attorney, a certified copy of the power of attorney shall also be lodged. In case of body corporate or limited companies, certified copy of the Memorandum & Articles of Association and copy of Board Resolution authorizing the signatory shall also be sent alongwith.

10.10 Letter of Offer, Form of Acceptance-cum-Acknowledgement and Form of Withdrawal will be available on SEBI's website: www.sebi.gov.in, from the Offer opening date i.e. December 8, 2009.

10.11 Applications in respect of equity shares of the Target Company that are subject matter of litigation, wherein the shareholders of the Target Company may be prohibited from transferring the equity shares during the pendency of the said litigation, are liable to be rejected in case suitable directions / orders to the satisfaction of Acquirer from competent authority regarding these equity shares are not received together with the equity shares tendered under the Offer. The Acquirer at its sole discretion , in such cases, may forward the Letter of Offer to the concerned statutory authorities for further action at their end.

10.12 If the shares tendered in this Offer by the shareholders of the Target Company are more than the equity shares agreed to be acquired under this Offer, the Acquirer shall accept the offers received from the public shareholders on a proportionate basis as per Regulation 21(6) of the SEBI (SAST) Regulations in consultation with the Manager to the Offer such that the acquisition from each shareholder shall not be less than the minimum marketable lot or the entire holding, if it is less than the marketable lot. The marketable lot for the Target Company is 1 (one) Equity Share.

10.13 Duly executed Form(s) of Acceptances along with share certificate(s) and share transfer form(s) should be sent only to the Registrar to the Offer and not to the Manager to the Offer or Acquirer. The above mentioned documents may be sent to the following collection centres between 10:00 A.M. to 4:00 P.M. from Monday to Friday and between 10:00 A.M. to 1:00 P.M. on Saturday. The centres will be closed on Sundays and Public Holidays.

Sr. No.	Collection Centre	Address of Collection Centres	Contact Person	Phone No.	Fax No.	Mode of delivery
1.	Mumbai	Karvy Computershare Pvt. Ltd 26-30, Fort Foundation Bldg., Maharashtra Chamber of Commerce Lane, Opp. MSC Bank, Fort, Mumbai - 400023	Ms. Nutan Shirke	022-66382666	022-66331135	Hand Delivery
2.	New Delhi	Karvy Computershare. Pvt. Ltd., 105-108, Arunachal Bldg., 19, Barakhamba Road, New Delhi - 110 001	Mr. Rakesh Kr Jamwal / Mr. Vinod Singh Negi	011-43509200	011-41036370	Hand Delivery
3.	Chennai	Karvy Computershare. Pvt. Ltd., No. 33 / 1, Venkatraman Street, T.Nagar, Chennai - 600017	Mr. Gunashekhar	044 -28151793/ 1794	044-28153181	Hand Delivery
4.	Kolkata	Karvy Computershare. Pvt. Ltd., 49, Jatin Das Road, Nr.Deshpriya Park, Kolkata - 700 029	Mr. Sujit Kundu/ Mr. Debnath	033-24644891	033-24644866	Hand Delivery
5.	Hyderabad	Karvy Computershare. Pvt. Ltd., Plot No 17-24, Vithalrao Nagar, Madhapur, Hyderabad - 500 081	Ms. Rinki Sareen	040-23420818- 23	040-23431551	Hand Delivery/ Regd Post

Shareholders who can not hand deliver their documents at the collection centres referred to above, may send the same by Registered Post, at their own risk to the Registrars to the Offer at their Office of Karvy Computershare Private Limited ("Registrar"), Plot No 17-24, Vithalrao Nagar, Madhapur, Hyderabad - 500 081, Phone: +91-40-2342 0815-23, Fax: +91-40-2343 1551, Website: www.karvy.com, Email: murali@karvy.com, Contact Person: Mr. M. Murali Krishna and not to any other collection centre so that the same are received on or before 4.00 P.M. on the date of closing of the Offer i.e. December 26, 2009.

10.14 Pursuant to Regulation 22(5A) of the SEBI (SAST) Regulations, shareholders who have accepted the Offer by tendering the requisite documents in terms of this PA and Letter of Offer can withdraw the same up to three working days prior to the Offer Closing Date. The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrar to the Offer at any of the collection centers mentioned above as per the mode of delivery indicated therein on or before December 22, 2009:

(a) The withdrawal option can be exercised by submitting the Form of Withdrawal, which is enclosed with the Letter of Offer.

(b) In case of non-receipt of the Form of Withdrawal, the withdrawal option can be exercised by making a plain paper application along with the following details:

- In case of physical shares: name, address, distinctive numbers, folio number, number of shares tendered; and
- In case of dematerialised shares: name, address, number of shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account.

10.15 The Registrar to the Offer will hold in trust the equity shares/share certificates, equity shares lying in credit of the special depository account and the transfer form(s),until the Acquirer completes its obligations under the Offer in accordance with the SEBI (SAST) Regulations.

10.16 The shares to be acquired should be free from all liens, charges and encumbrances and will be acquired together with all rights attached thereto, including rights to all dividends to be declared after all the formalities relating to this offer are completed.

10.17 Payment to those shareholders whose share certificates and/or other documents are found valid and in order and are approved by the Manager to the Offer and the Acquirer, will be by way of a crossed account payee cheque/ demand draft/ pay order/ through Direct Credit ("DC") / National Electronic Funds Transfer ("NEFT") / Real Time Gross Settlement ("RTGS") / National Electronic Clearing Services ("NECS") / Electronic Clearing Services ("ECS"). Shareholders who opt for receiving consideration through DC/NEFT/ RTGS/NECS/ECS are requested to give the authorization for the same in the Form of Acceptance cum Acknowledgement and enclose a photocopy of cheque along with form of Acceptance. The decision regarding the acquisition (in part or full), or rejection of, the equity shares tendered pursuant to this Offer and (i) any corresponding payment for the acquired equity shares and/or (ii) share certificates for any rejected equity shares or equity shares withdrawn, will be dispatched to the shareholders by registered post or by ordinary post as the case may be*, at the shareholder's sole risk. Equity shares held in dematerialised form to the extent not acquired or equity shares withdrawn will be credited back to the respective beneficiary account with their respective DPs as per the details furnished by the beneficial owners in the Form of Acceptance-cum-Acknowledgement.

* Dispatches involving payment of a value in excess of Rs.1,500 (Rupees Fifteen Hundred only) will be made by registered post at the shareholder's sole risk. All other dispatches will be made by ordinary post at the shareholder's sole risk.

10.18 All cheques / demand drafts / pay orders will be drawn in the name of the first holder, in case of joint holder(s). In case of unregistered owners of shares, payment will be made in the name of the person stated in the contract note.

10.19 Unaccepted share certificates, transfer forms and other documents, if any, will be returned by registered post / speed post at the shareholders' / unregistered owners' sole risk to the sole / first shareholder. Unaccepted shares held in dematerialized form will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance-cum-Acknowledgement.

10.20 While tendering the shares under the Offer, NRIs / OCBs / Non-Resident Shareholders will be required to submit the previous RBI Approvals (specific or general) that they would have been required to submit to acquire the shares of the Target Company. In case the previous RBI approvals are not submitted, Acquirer reserves the right to reject such shares tendered.

10.21 Securities transaction tax will not be applicable to the shares accepted in the Offer

10.22 Compliance with tax and other Regulatory requirements:

(a) As per the provisions of Section 196D (2) of the Income Tax Act, 1961, no deduction of tax at source will be made from any income by way of capital gains arising from the transfer of securities referred to in Section 115AD of the Income Tax Act, 1961 to a Foreign Institutional Investor as defined in Section 115AD of the Income Tax Act, 1961. However the interest payment for delay in payment of consideration, if any, will not be governed by this provision.

(b) While tendering their equity shares under the Offer, NRIs, OCBs and other non-resident shareholders will be required to submit a No Objection Certificate or Tax Clearance Certificate or Certification for Deduction of Tax at lower rate from the Income tax authorities under the Income Tax Act, 1961 indicating the amount of tax to be deducted by Acquirer before remitting the consideration, failing which Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the Shareholder belongs under the Income Tax Act, 1961, on the entire consideration amount payable to such shareholder.

(c) In case of resident shareholders, tax will be deducted on the interest component, if any, exceeding Rs. 5,000/- (Rupees Five Thousand only) at the applicable current prevailing rates. If the resident shareholder requires that no tax is to be deducted or tax is to be deducted at a lower rate than the prescribed rate, such shareholders will be required to submit a NOC or Tax Clearance Certificate or Certificate for Deduction of Tax at Lower Rate from the Income-tax authorities under the Income-tax Act, 1961 indicating the amount of tax to be deducted by Acquirer or a self-declaration in Form 15G or Form 15H as may be applicable.

(d) All resident shareholders would be required to submit their Permanent Account Number for Income-tax purposes.

(e) Clauses in this paragraph 10.22 relating to payment of interest will become applicable only if the Acquirer becomes liable to pay interest for delay in release of purchase consideration.

10.23 Schedule of Activity

Activity	Date	Day
Public Announcement Date	October 15, 2009	Thursday
Specified Date (for the purpose of determining the names of the shareholders to whom the Letter of Offer would be sent)	October 23, 2009*	Friday
Last Datefor a competitive bid, if any	November 5, 2009	Thursday
Date by which Letter of Offer to be dispatched to shareholders	November 24, 2009	Tuesday
Date of opening of Offer	December 8, 2009	Tuesday
Last date for revising the offer price/number of shares	December 17, 2009	Thursday
Last date for withdrawal of acceptance by shareholders who have accepted the Offer	December 22, 2009	Tuesday
Date of closing of offer	December 26, 2009	Saturday
Last date of communicating rejection/acceptance and payment of consideration for application accepted.	January 8, 2010	Friday

* Specified Date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer will be sent. However, all owners (registered or unregistered) of the equity shares of the Target Company are eligible to participate in the Offer anytime before the closure of the Offer.

11 GENERAL

11.1 *Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement/Letter of Offer, shall have the option to withdraw acceptance tendered by them upto 3 (three) working days prior to the date of the closure of the Offer, in terms of Regulation 22(5A) of the SEBI (SAST) Regulations.*

11.2 Acquirer can revise the Offer Price and / or Offer Size upwards up to seven (7) working days prior to the closure of the Offer. If there is any upward revision in the Offer Price and / or Offer Size by Acquirer in terms of Regulation 26 of SEBI (SAST) Regulations, till the last date of revision i.e. December 17, 2009, the same will be informed by way of a public announcement in the same newspapers in which this PA has appeared. If the Offer Price is revised upward, such revised price will be payable to all the shareholders who have accepted this Offer and tendered their shares at any time during the tenure of the Offer to the extent the shares are acquired by the Acquirer.

11.3 "If there is competitive bid:

11.3.1 The public offers under all the subsisting bids shall close on the same date.

11.3.2 As the offer price cannot be revised during 7 (seven) working days prior to the closing date of the offers/bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly"

11.4 Pursuant to Regulation 13, the Acquirer has appointed Almondz Global Securities Limited as Manager to the Offer and Karvy Computershare Private Limited as the Registrars to the Offer.

11.5 The Acquirer and Target Company have not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B of SEBI Act.

11.6 For further details, shareholders are requested to refer to the Letter of Offer to be sent to the shareholders of the Target Company and the Form of Acceptance cum Acknowledgement.

11.7 The Board of Directors of Acquirer severally and jointly accepts the responsibility for the information contained in the Public Announcement and also for the fulfillment of its obligations laid down in the SEBI (Substantial Acquisition of Shares and Takeovers) Regulation 1997 and subsequent amendments made thereof.

This Public Announcement would also be available on SEBI website i.e. www.sebi.gov.in. For applying in this Offer, eligible persons may also download copy of Form of Acceptance cum Acknowledgement, which will be available on SEBI's website from Offer opening date i.e. December 8, 2009.

MANAGER TO THE OFFFER	
almondz the financial powerhouse	Almondz Global Securities Limited 33, Vaswani Mansion, 6th Floor Dinshaw Vachha Road, Churchgate, Mumbai400020 Phone: +91-22-2287 0580 Fax: +91-22 2287 0581 Website: www.almondzglobal.com Email: vulcanopenoffer@almondz.com Contact Person: Mr. Kaushal Patwa Registration No.: INM000000834

REGISTERAR TO THE OFFER	
KARVY Karvy Computershare Private Limited	Karvy Computershare Private Limited Plot No 17-24, Vithalrao Nagar, Madhapur, Hyderabad 500 081 Phone: +91-40-2342 0815-23 Fax: +91-40-2343 1551 Website: www.karvy.com Email: murali@karvy.com Contact Person: Mr. M. Murali Krishna Registration No.: INR000000221

Issued by Almondz Global Securities Limited, Manager to the Offer for and on behalf of the Acquirer.

Terruzzi Fercalx SPA,
Registered Office: Piazzale Principessa Clotilde, 8,
zip code 20121, Milano Italy

Place: Mumbai
Date: October 15, 2009

Sobhagya